



Pursuant to City Charter, a five year capital improvements plan is developed and updated annually. The first and second year's funding requirements of the plan are included in the Capital Budget. The FY 1999-00 Capital Improvement expenditures total \$85,587,326, a 2.4% decrease from the \$87.6 million CIP budget for 1998-99. Furthermore, FY 2000-01 Capital Improvement expenditures total \$61,256,862, a 28.4% decrease from 1999-00. This decrease in the budget results from the completion of construction of the Rio Salado Town Lake in 1998-99, and making final payments on new bus purchases within the Transit Program during 1999-00. This two year capital program continues the City's emphasis on quality of life programs, maintenance of capital assets, streets and highways, and coordinated land use planning and development.

The Capital Budget is grouped into four major capital programs. These include \$17.2 million in 1999-00 and

\$19.4 million in 2000-01 for General Purpose capital programs; \$7.9 million and \$4.7 million for Transportation capital programs; \$38.2 million and \$17.2 million for Special Purpose capital programs; and \$22.2 million and \$19.8 million for Enterprise capital programs in each respective fiscal year.

Transit projects represent the single largest appropriation area in fiscal year 1999-00 accounting for 29% of the total Capital Budget. Other major project areas include \$13.1 million for the Rio Salado program, \$11.4 million for Water, and \$10.4 million for Wastewater. In fiscal year 2000-01, Wastewater projects represent the largest appropriation area of the total Capital Budget at 20%, following with Transit projects at \$12.3 million, and General Governmental projects at \$9.7 million.

The following table shows a comparison of the 1999-00 and 2000-01 Capital Programs with the 1998-99 fiscal year's program.

Capital Program	1998-99	1999-00	2000-01
General Purpose			
Police Protection	\$ 1,664,200	\$ 2,037,825	\$ 2,867,070
Fire Protection	1,072,600	862,300	2,250,489
Storm Drains	250,000	1,145,805	698,000
Park Improvements	3,622,786	4,422,000	3,887,000
General Governmental	6,356,501	8,781,471	9,736,389
Transportation			
Transportation & R.O.W.	3,078,000	6,207,007	3,420,346
Sidewalks & Bikeways	400,000	219,000	338,625
Traffic Signals/Street Lighting	1,670,000	1,450,000	1,020,000
Special Purpose			
Transit	32,604,315	25,059,110	12,307,860
Rio Salado	20,844,787	13,177,308	4,923,083
Enterprise			
Golf	125,000	416,000	625,000
Water	3,713,740	11,449,500	6,783,000
Wastewater	12,250,000	10,360,000	12,400,000
Total	\$ 87,651,929	\$ 85,587,326	\$ 61,256,862

The capital program is funded primarily through the issuance of general obligation bonds, long and short-term notes, operating funds, outside revenues (e.g.,

development fees) and capital project fund balances. A comparison of 1999-00 and 2000-01 funding sources with the 1998-99 fiscal year follows.

Capital Program	1998-99	1999-00	2000-01
General Purpose/Transportation			
General Obligation Bonds	\$ 8,500,000	\$ 8,000,000	\$ 8,000,000
Operating Funds	8,995,687	15,087,455	13,598,080
CIP Outside Revenues	250,000	1,687,000	2,587,000
CIP Fund Balances	368,400	350,953	32,839
Special Purpose			
Excise Tax Bonds	10,000,000	0	0
Transportation Bonds	3,000,000	2,000,000	0
Operating Funds	14,804,329	21,631,775	12,460,284
CIP Outside Revenues	16,447,000	12,497,500	4,960,000
CIP Fund Balances	9,197,773	2,107,143	(189,341)
Enterprise			
General Obligation Bonds	7,500,000	14,000,000	14,000,000
Water/Wastewater Fund	4,500,000	5,500,000	4,000,000
CIP Outside Revenue	1,125,000	750,000	500,000
CIP Fund Balances	2,963,740	1,975,500	1,308,000
Total	\$ 87,651,929	\$ 85,587,326	\$ 61,256,862

Highlights of the Biennial CIP budget

FY 1999-00

- Final funding for bus purchases (\$16,640,000);
- Funding for the Rio Salado Project (\$13,177,308) including:
 - final funding for the Rio Salado Parkway from Farmer to College (\$3.0 million);
 - funding for improvements to the Rio Salado North Bank from College to the west dam (\$2.0 million);
 - continued funding for Tempe Beach Park Improvements (\$2.0 million); and
 - continued funding for the Lagoon/Marina Phase I (\$1.5 million);
- Continued funding for the 91st Avenue Treatment Plant (\$9.6 million) including continued funding (\$5.0 million) for additional treatment capacity and \$4.6 million for environmental compliance modifications and improved efficiencies;
- Continued funding for expansion of the South Tempe Water Plant (\$6.0 million);
- Continued funding for local and major street renovations and reconstruction (\$4,491,072); and

- Continued funding for bus stop improvements (\$2,231,000).

FY 2000-01

- Continued funding for the 91st Avenue Treatment Plant (\$12.0 million) including continued funding (\$8.0 million) for additional treatment capacity and \$4.0 million for environmental compliance modifications and improved efficiencies;
- Continued funding to determine the feasibility of a rail transit corridor (\$7.5 million);
- Continued funding for expansion of the South Tempe Water Plant (\$3.0 million);
- Continued funding for local and major street renovations and reconstruction (\$2,659,368);
- Continued funding for bus stop improvements (\$2,231,000);
- Continued funding for the Rio Salado Parkway from McClintock to Price (\$2,073,000); and
- Continued funding for the construction of a downtown fire station (\$1,750,489).

General Purpose

The General Purpose capital projects include those for Police and Fire Protection, Storm Drains, General Governmental, and Park Improvements. In aggregate, they represent \$17.2 million or 20% of the total Capital Budget and just over 27% of the tax-supported capital projects for fiscal year 1999-00. In fiscal year 2000-01, they represent \$19.4 million or 32% of the total Capital Budget and almost 47% of tax-supported capital projects.

Funding for General Purpose capital improvements comes primarily from Operating Funds and General Obligation Bonds. The remainder will be financed from outside revenues and capital project fund balances.

General Purpose – Sources of Funds		
(\$ Million)	FY 99-00 FY 00-01	
Operating Funds	\$11.9	\$12.7
General Obligation Bonds	3.3	4.3
Outside Revenue	1.7	2.4
Capital Projects Fund Balance	0.3	0.0
Total	\$17.2	\$19.4

General Governmental projects account for \$8.8 million or 50.9% in FY 1999-00 and \$9.7 million or 50% in FY 2000-01 of the General Purpose Capital Budget with \$1.5 million earmarked for the acquisition and redevelopment of property on Apache Boulevard in each fiscal year.

Park Improvements account for \$4.4 million or 25.6% in FY 1999-00 and \$3.9 or 20.0% in FY 2000-01 of the General Purpose Capital Budget with \$2.7 million for the West Side Multi-Generational Center, and \$1,150,000 for Phase II of the Tempe Sports Complex over the next two fiscal years.

Another \$2.0 million or 11.8% in FY 1999-00 and \$2.9 million or 14.8% in FY 2000-01 of the General Purpose Capital Budget is appropriated for Police Protection, with \$1,098,700 budgeted for jail improvements.

The remaining portion of the General Purpose Capital Budget provides continued funding for the Downtown Fire Station and storm drain improvements.

Transportation

The Transportation Capital Budget consists of projects for Street Improvements, Interstate and State Highways, Traffic Signals, and Sidewalks and Bikeways, which account for \$7.9 million or 9% in FY 1999-00 and \$4.7 million or 8% in FY 2000-01 of the total Capital Improvements Program Budget. Funding for Transportation capital projects is derived primarily from General Obligation Bonds and Operating Funds.

Street Improvements represent \$6.2 million or 78.8% in FY 1999-00 and \$3.4 million or 71.6% in FY 2000-01 of the total Transportation Capital Budget consisting of monies to reconstruct and/or renovate local and major streets.

Traffic Signal and Street Lighting appropriations account for an additional \$1.5 million or 18.4% in FY 1999-00 and \$1.0 million or 21.3% in FY 2000-01 of the Transportation Capital Budget. This includes \$400,000 per year for the installation of new signalization and upgrades to existing streetlights.

Rounding out the Transportation Capital Budget is \$119,000 for sidewalk widening along University Drive, and \$100,000 for expansion and improvements to existing sidewalk/bikeway systems.

Special Purpose

Special Purpose capital projects include those for both the Transit and the Rio Salado program, representing \$38.2 million or 45% in FY 1999-00 and \$17.2 million or 28% in FY 2000-01 of the total Capital Budget.

The Transit capital program accounts for \$25.1 million or 66% in FY 1999-00 and \$12.3 million or 71% in FY 2000-01 of the Special Purpose Capital Budget. Funding for Transit capital projects comes from the new voter-approved transit tax and outside revenues. This includes the final payment on bus purchases (\$16.6 million), \$2.2 million per year for bus stop improvements and \$9.0 million over the next two fiscal years to determine the feasibility of a rail transit corridor.

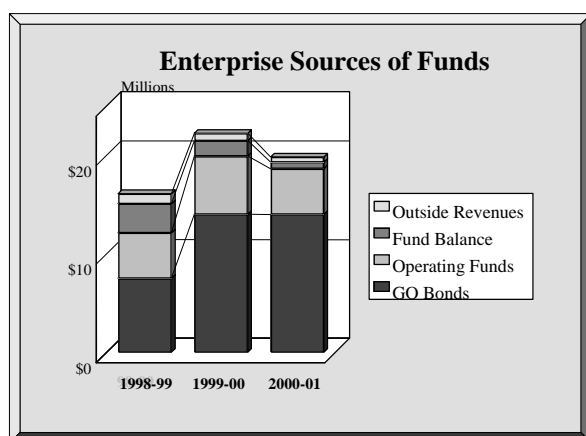
The Rio Salado capital program accounts for \$13.1 million or 34% in fiscal year 1999-00 and \$4.9 million or 29% in fiscal year 2000-01 of the Special Purpose Capital Budget. Funding for Rio Salado capital projects derives primarily from operating funds, outside revenues, and Rio Salado Fund Balance. This includes funding for

the Rio Salado Parkway from Farmer to College and from McClintock to Price Road, and \$2.5 million over the next two fiscal years for improvements to Tempe Beach Park.

Plant, and \$2.3 million for waterline upgrades and improvements to the Papago Water Plant over the next two fiscal years.

Enterprise

Enterprise capital projects include those for Golf, Water and Wastewater representing \$22.2 million or 26% in fiscal year 1999-00 and \$19.8 million or 32% in fiscal year 2000-01 of the total Capital Budget. Funding derives primarily from General Obligation bonds that provide \$14.0 million or 63% in fiscal year 1999-00 and \$14.0 million or 71% in fiscal year 2000-01 of the total financing of enterprise projects. Other major funding sources come from Golf and Water/Wastewater operating revenues of \$5.9 million in 1999-00 and \$4.6 million in 2000-01, and capital projects fund balance with the remaining portion financed from outside revenues (Development Fees).



Federally mandated environmental compliance requirements provide the major driving influence for the significant capital projects in the Wastewater program. Wastewater projects comprise \$10.4 million or 47% in fiscal year 1999-00 and \$12.4 million or 63% in fiscal year 2000-01 of the Enterprise Capital Budget with two major projects accounting for \$9.6 million in 1999-00 and \$12.0 million in 2000-01 of the Wastewater capital project appropriations. These projects are primarily related to upgrades and compliance requirements at the Regional 91st Avenue Wastewater Treatment Plant.

Water projects comprise \$11.4 million or 51% in fiscal year 1999-00 and \$6.8 million or 34% in fiscal year 2000-01 of the Enterprise Capital Budget. This includes \$9.0 million for expansion of the South Tempe Water